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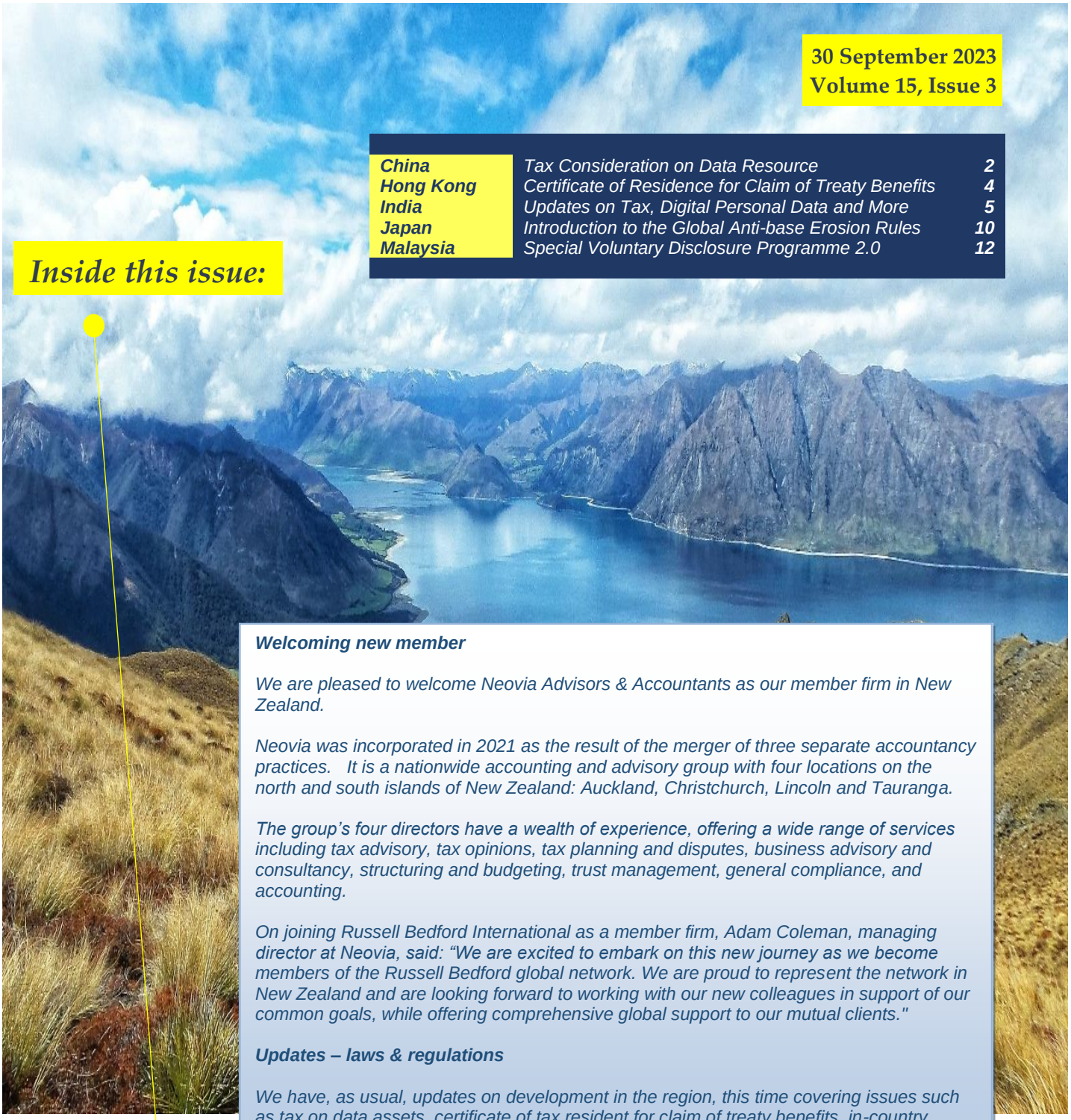
APAC News



30 September 2023
Volume 15, Issue 3

Inside this issue:

Welcoming new member

We are pleased to welcome Neovia Advisors & Accountants as our member firm in New Zealand.

Neovia was incorporated in 2021 as the result of the merger of three separate accountancy practices. It is a nationwide accounting and advisory group with four locations on the north and south islands of New Zealand: Auckland, Christchurch, Lincoln and Tauranga.

The group's four directors have a wealth of experience, offering a wide range of services including tax advisory, tax opinions, tax planning and disputes, business advisory and consultancy, structuring and budgeting, trust management, general compliance, and accounting.

On joining Russell Bedford International as a member firm, Adam Coleman, managing director at Neovia, said: "We are excited to embark on this new journey as we become members of the Russell Bedford global network. We are proud to represent the network in New Zealand and are looking forward to working with our new colleagues in support of our common goals, while offering comprehensive global support to our mutual clients."

Updates – laws & regulations

We have, as usual, updates on development in the region, this time covering issues such as tax on data assets, certificate of tax resident for claim of treaty benefits, in-country domestic changes, GloBE rules on Global Minimum Tax, and special voluntary disclosure program for tax reporting. It is interesting to note the changes in the regulatory landscape.

CHINA

TAX CONSIDERATION ON DATA RESOURCE ASSETS "ENTERING INTO BALANCE SHEET"

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1. Background

In today's digital economy era, data as a new production factor has a fundamental and strategic position and is becoming the core resource of digital economy and digital transformation. In August 2023, the PRC Ministry of Finance issued the "Interim Provisions on Accounting Treatment for Data Resources of Enterprises " (Caikuai [2023] No. 11, hereinafter referred to as the "Provision"), which will consolidate the accounting of business operations related to data elements and play an important role in promoting data resource transactions and accelerating the development of new business forms involving data resources.

"…data as a new production factor has a fundamental and strategic position and is becoming the core resource of digital economy and digital transformation."

As a new type of asset, data resources expose to challenges on taxation. According to the principles proposed in the "Opinions of the Central Committee of the Communist Party of China and the State Council on Building Basic Systems for Data to Better Give Full Play to the Role of Data Resources" (known as " 20 data measures"), data resources may involve various property rights, such as ownership right, processing and using right and operating right of data products. This derives various rights related transactions, which increases the complexity of taxation on these transactions. Additionally, new tax-related disputes are prone to arise in cross-border transactions and value measurement.

2. Tax considerations

- Purchasing data resources

  According to the Provision, the eligible data resources acquired by a company can be treated as intangible assets or inventory on balance sheet. For this transaction, the main issue is to determine tax basis of data resources. The tax basis of assets is usually determined based on transaction price. However, if data resource transactions involve related parties, the company is required to set the transaction price at arm's length. If tax authorities determined that the price does not comply with arm's length principle, they have right to make special tax adjustments. Also, valuation of data resources is facing many other challenges, such as the timeliness, replicability and constantly changing value. Therefore, when transferring data resources between related parties, the company shall determine the transaction price with caution and properly retain relevant information that can fully demonstrates the reasonableness of the pricing, in order to cope with the queries from tax authority and to avoid special adjustment.

- Holding data resources

  The tax basis for data resources assets is usually recognized at historical cost and is not allowed to adjust when holding the assets. While, according to general accounting principle, such assets shall be properly measured at fair market value, and if book value is higher than the market value, provision for impairment shall be made. But, impairment loss is not allowed to deduct for income tax purpose. In addition, amortization period is another tax issue. If there is no legal provision or contractual agreement on the service life of the assets, the amortization period should be at least 10 years in accordance with Income Tax Law. But in practice, data resources are likely to have a relatively shorter economic life. When 10-year is the minimum amortization period for tax purpose, it may cause significant deviation between the tax amortization term and the beneficial period of the digital asset.

(Continued)

- Disposal of data resources

  As economic value of data resources may depreciate rapidly in a short period of time, there might be assets loss on disposal, which is an issue to be considered. The current VAT regulations have not yet made provisions on disposal or sales of data resources. Meanwhile, according to relevant tax rule, the company is required to prepare and retain documents and objective evidence related to the disposal of assets for future reference when reporting a loss. Therefore, the company shall consider how to prepare and retain such documents and evidence for disposal of data resources assets in internal tax management, to deal with the uncertainty exposed to the current tax regulations.

- Impact on preferential tax policies – R&D

  According to new guidance on R&D expenses deduction (hereinafter referred to as "guideline"), whether the R&D project on data resource is R&D expense from tax perspective depends on nature and definition of the project.

  According to recent tax practice, if purchased data resources are used directly for eligible R&D activity, the amortization cost is qualified to R&D expense additional deduction scope. However, it should be emphasized that not all data collection activities necessarily belong to R&D activities. The "guideline" explicitly states that only data collection, which is an essential component of the R&D project, is considered as R&D activity.

"…only data collection, which is an essential component of the R&D project, is considered as R&D activity."

HONG KONG

CERTIFICATE OF RESIDENCE (CoR) FOR CLAIM OF TREATY BENEFITS

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To access treaty benefits under a comprehensive avoidance of double taxation agreement (CDTA), a Hong Kong entity is generally required to furnish to the tax administration of the CDTA territory a HK CoR as proof of its Hong Kong tax residence status.

The Inland Revenue Department (IRD) is responsible for issuing HK CoRs to eligible Hong Kong residents. In the past, when applying for CoR, a corporate entity is required to provide detailed information relating to its business substance and establishment in and outside of Hong Kong. Such information includes the location where board meetings and business decisions were made, and, in some occasions, the IRD would even request for copies of internal documents such as minutes and strategical discussion papers as supporting evidence. The IRD would refuse issuing the HK CoR if it was not satisfied that the entity was centrally managed and controlled in Hong Kong.

The IRD has recently revisited its approach. Under its updated policy, HK CoRs shall be issued to entities incorporated / constituted in Hong Kong without considering their business substance or establishment. This new approach reconciles with the definition of "resident of Hong Kong" in the relevant CDTA where, in general, a Hong Kong corporate entity is defined as an entity "incorporated / constituted in Hong Kong" with no additional strings of conditions attached.

"Under its updated policy, HK CoRs shall be issued to entities incorporated / constituted in Hong Kong without considering their business substance or establishment."

An exception is the CDTA between Hong Kong and Japan where the definition is more stringent and requires the Hong Kong company "having a primary place of management and control in Hong Kong".

For a HK CoR applicant not incorporated in Hong Kong, such as the Hong Kong registered branch of a foreign entity, the IRD continues to require detailed information to demonstrate that the applicant is normally centrally managed and controlled in Hong Kong.

Also, for an application relating to tax benefits claim on dividend from China in a multi-level holding structure that falls within the provision of the Circular No. 9 (PN 9), i.e., Circular of the State Taxation Administration on Matters concerning Beneficial Owners in Tax Treaty, the applicant shall continue to provide particulars of the lead applicant in the holding structure and other relevant information relating to management and control.

PN 9 is not designed to create hurdle for claim of treaty benefits. On the contrary, it facilitates the grant of benefits on upstreaming dividend from China based on (i) the same jurisdiction rule where the immediate recipient and beneficial owner of the dividend at the top level are resident of the same treaty jurisdiction; (ii) same treaty benefit rule where the beneficial owner of the dividend is resident of a jurisdiction with treaty benefits at par or better than the immediate recipient; or (iii) the safe harbour rule where the beneficial owner of the dividend at the top-level is a specified entity, e.g. a listed entity resident in a specified treaty jurisdiction.

The availability of a HK CoR is only the first step for a Hong Kong entity to claim eligibility for treaty benefits of a CDTA territory. The relevant CDTA may contain "principal purpose test" rule which may deny grant of benefits where one of the principal purposes of the arrangements or transactions is to secure the treaty benefits. Also, the business substance in Hong Kong may be considered by the relevant CDTA tax administration before granting the benefits.

In the news:

The 'G20 Global Partnership for Financial Inclusion' document prepared by 'World Bank' has lauded the transformative impact of Digital Public Infrastructure ('DPIs') in India over the past decade under the Central Government of India. The document highlights the groundbreaking measures taken by the Indian Government and the pivotal role of government policy and regulation in shaping the DPI landscape. According to the World Bank document, India has achieved financial inclusion targets in just 6 years which would otherwise have taken at least 47 long years.

On 23 August 2023, India achieved a grand success in its lunar mission by making a soft landing on the Moon making it the fourth country around the globe to land on the lunar surface and the first country to land on the Moon's South Pole. Following this, a successful launch of its Solar mission 'Aditya L1' was also achieved on 2 September 2023.

Securities and Exchange Board of India ('SEBI')

1. Amendments to the Listing Obligations and Disclose Requirements ('LODR') Regulations:

SEBI has made amendments to the existing LODR regulations, most of which became effective in July 2023. These regulations apply to the listed entities ('LE') as mentioned below:

Filings and reporting

a. Along with its quarterly compliance report, an LE shall disclose the details of cyber security incidents/breaches/loss of data/documents, if any.

b. Subsequent to its listing, an LE must submit its financial results for the quarter or the financial year ('FY') immediately succeeding the period for which the financial statements have been disclosed in the offer document for the initial public offer within the prescribed time.

c. ESG reporting: The top 100 listed entities based on market capitalization, will include in the annual report, a Business Responsibility and Sustainability Report ('BRSR') on the environmental, social and governance ('ESG') disclosures. Assurance on the BRSR core (i.e., certain key performance indicators) shall be obtained according to the timelines and manner prescribed by SEBI.

"Along with its quarterly compliance report, an LE shall disclose the details of cyber security incidents/breaches/loss of data/documents, if any."

Corporate governance and disclosures

a. LEs are required to report material events to SEBI ranging from 30 minutes to 24 hours depending upon their source/emanation.

b. In addition, they shall confirm/deny/clarify any reported event (which is not general in nature) in the mainstream media indicative of rumours, within 24 hours depending upon its nature and sensitivity. This requirement applies from 1 October 2023 to the top 100 LEs. From 1 April 2024, it will apply to the top 250 LEs.

c. It is mandatory to fill up the vacancy of compliance officer, director, or key

managerial personnel (i.e., Chief Executive Officer, Managing Director, Whole Time Director or Manager and Chief Financial Officer) within 3 months from the date of such vacancy.

d. An additional quantitative threshold is introduced to determine the materiality, i.e., omission of an event/information whose value or the expected impact exceeds lower of:

   i. 2% of the of turnover, as per the last audited consolidated financial statements ('CFS') of the LE
   ii. 2% of the net worth as per the last audited CFS (except in case of a negative arithmetic value of the net worth)
   iii. 5% of the average of absolute value of profit or loss after tax as per the last 3 audited consolidated financial statements of the LE.

   The materiality policy framed by the LE shall not dilute any of the criteria specified under the regulations. Apart from the above, the timelines specifically spelt out in schedule III of LODR need to be adhered to.

"Effective 3 July 2023, SEBI has amended its erstwhile regulations for the issuance and listing of non-convertible securities and non-convertible redeemable preference shares, either through public issue or private placement."

e. Disclosure of certain binding agreements, i.e., where shareholders, key managerial persons ('KMP'), or promoters, are involved (not necessarily with the LE) but directly / indirectly / potentially / whose purpose is to impact the management or control of the LE or impose any restriction or create any liability upon the LE.

Other requirements (including shareholders' empowerment)

a. Mandatory approval of shareholders in the case of sale/lease/disposal of an undertaking of an LE outside the 'Scheme of Arrangement' framework and disclosure of commercial rationale behind such sale/lease/disposal.

b. Shareholders are empowered to appoint/reappoint directors once in 5 years starting from the date of such appointment/reappointment.

c. Mandatory disclosures like frauds by directors, senior management, resignation of KMP, delays/defaults in payment of fines and penalties to any statutory, regulatory, enforcement or judicial authority.

d. Resignation of key managerial personnel, directors and senior management.

e. Actions initiated against the above persons by regulatory/enforcement authorities.

f. Voluntary revision of the financial statements or Board of Directors' report u/s 131 of the Companies Act 2013.

2. Regulations for the issuance and listing of non-convertible securities

Effective 3 July 2023, SEBI has amended its erstwhile regulations for the issuance and listing of non-convertible securities and non-convertible redeemable preference shares, either through public issue or private placement. The new regulations ensure an ease of doing business, such as a reduction in repetitive filings and streamlining the disclosure requirements. Certain important measures are enumerated below:

a. **Consolidation of schedules**, i.e., consolidation of the reporting requirements by revising the contents of schedule I (Disclosures for issue of securities) instead of earlier bifurcation under schedule I (public disclosures of debt securities and non-convertible preference shares) and schedule II (Private placements of non-convertible securities).

b. **Term 'Key managerial personnel' and 'senior management' are defined and introduced.**

c. **General information document ('GID') / Key information document ('KID'):** Filing of GID and KID will be the important compliances going forward with a natural phasing out of the hitherto shelf prospectus and shelf placement memorandum.

   Further, for issuance and listing of 'Commercial Paper', KID filing is sufficient given that a GID/shelf prospectus was filed and is valid.

d. **Audited financial statements:** The new regulations ensure that the audited financial statements are not older than 6 months from the date of filing the draft placement memorandum/from the date of opening of the issue as applicable. Further, entities whose non-convertible securities are listed/ are in compliance with the listing regulations (and subsidiaries of such entities) are allowed to file unaudited financial statements for the interim period along with a limited review report. This is however subject to the necessary disclosures and risk factors.

e. **Other crucial disclosures** for the information of stakeholders in the case of public offer and private placements, like details of the promoters to the issue, details of the credit rating agency, breakup of expenses of the issue expenses (% of the total expenses as well as a % of the issue size), preceding 3 years' audited financial statements.

f. **Large corporates:** SEBI will define the term 'Large Corporates' who shall be required to comply with specific conditions and requirements specified by SEBI from time to time.

3. Online resolution of disputes in the Indian securities market

The market regulator, SEBI has established, under the aegis of Stock Exchanges and Depositories (collectively called 'Market Infrastructure Institutions' (MIIs)), a common online dispute resolution ('ODR') portal. The objective is to harness online conciliation and arbitration for resolution of disputes arising in the Indian securities market. The ODR portal shall have the necessary features and facilities to enrol the investor/client and the market participants to file the complaint/dispute and also to upload any documents or papers pertaining thereto.

All market participants and MIIs are advised to display a link to the ODR portal on the home page of their websites and mobile apps.

Income-tax Act

1. Exemption to strategic disinvestments:

With financial year ('FY') 2022-23 or assessment year ('AY') 2023-24, any movable property, being equity shares, of a public sector company or a company, received by a person from a public sector company or the central government or any state government under strategic disinvestment will be exempt from income-tax. The above exemption is granted to give effect to the Budget announcement of the Government. This exemption will facilitate easy implementation of the planned government decisions, like privatization of banks and other companies.

"…any movable property, being equity shares, of a public sector company or a company, received by a person from a public sector company or the central government or any state government under strategic disinvestment will be exempt from income-tax."

2. Liberalised Remittance Scheme

Sub-section (1G) of section 206C of the Income-tax Act, 1961 ('Act') provides for Tax Collection at Source ('TCS') on:

i. foreign remittance through the Liberalised Remittance Scheme ('LRS') and
ii. sale of overseas tour program packages.

An individual person can freely remit up to INR 7 lakhs per annum for all purposes and through any mode of payment. With effect from 1 October 2023, the following TCS rates will apply.

Nature of payment	TCS rate
LRS for education financed by loan	0.5% above INR 7 lakh
LRS for medical treatment/ education (other than financed by loan)	NIL up to INR 7 lakh, 5% above INR 7 lakh
LRS for other purposes	Nil up to INR 7 lakh, 20% above INR 7 lakh
Purchase of overseas tour program package	5% till INR 7 lakh, 20% thereafter

Note: Transactions through International Credit Cards while being overseas would not be counted as LRS and hence would not be subject to TCS.

- INR 7 lakh will be approx. US$ 8,433

Goods and Services Tax ('GST')

The honourable Finance Minister had introduced Central GST Act (Amendment) Bill, 2023 and Integrated GST Act (Amendment) Bill, 2023 in the Parliament on 11 August 2023 to implement decisions of GST Council of levying 28% tax on online gaming. Both the Bills have been passed by the both the houses of the Parliament (Lok Sabha and Rajya Sabha).

Enactment of Digital Personal Data Protection Act, 2023

In August 2023, the Ministry of Law and Justice passed the Digital Personal Data Protection Act, 2023. The 'Act' applies to the processing of digital personal data within the territory of India where the personal data is collected:

(i) in digital form; or
(ii) in non-digital form and digitised subsequently.

"The Act primarily holds the DF (data fiduciary) responsible to protect and lawfully process the personal data of the data principal."

It also applies to the processing of digital personal data outside the territory of India, if such processing is in connection with any activity related to the offering of goods or services to 'Data Principals' within the territory of India.

Various new terms like 'Personal Data', 'Data Principal', 'Data Fiduciary', and 'Person' etc. are defined.

- Personal data: any data about an individual who is identifiable by or in relation to such data.
- Data principal ('DP'): the individual to whom the personal data relates and where such individual is-
  - a child, includes the parents or lawful guardian of such a child
  - a person with disability, includes her/his lawful guardian, acting on her/his behalf
- Data fiduciary ('DF'): any person who alone or in conjunction with other persons determines the purpose and means of processing of personal data.

INDIA

(Continued)

The term 'Person' has been defined to under 2(s) to include:

(i) an individual;
(ii) a Hindu undivided family;
(iii) a company;
(iv) a firm;
(v) an association of persons or a body of individuals, whether incorporated or not;
(vi) the State; and
(vii) every artificial juristic person.

- The Act primarily holds the DF responsible to protect and lawfully process the personal data of the data principal. The processing of the data is based on the DP's consent and restricted to the agreed purposes between the two (i.e., DP and the DF.) It also ensures the erasure of the data by the DF once the purpose of data processing is met/the DP withdraws his or her consent.

- The Act provides for putting in place a grievance redressal mechanism by the DF.

- It contains a separate clause on obtaining the parent's/guardian's consent to obtain/process the data of a child (i.e., a person below 18 years of age) and persons with disabilities, including restriction of the tracking/monitoring of their behavioural aspects.

- Oversight: The compliances under the Act are governed by an independent 'Data Protection Board,' which is a board set up under the Act to carry out the purposes of the Act. Parties aggrieved by the Board's order are addressed by the Appellate Tribunal.

- Thus, the Act achieves protection of personal digital data with minimum disruption while ensuring necessary change in the way DFs process the individual data. It also aims to protect and safeguard the personal data (including cross-border data transmission), rights, obligations of the DFs & DPs and redressal mechanisms in a digital and hassle-free manner.

INTRODUCTION TO THE GLOBAL ANTI-BASE EROSION RULES

信成国際税理士法人
SHINSEI INTERNATIONAL TAX CO.

The GloBE rules were enacted into law in Japan in the 2023 tax reform.

- **GloBE rules were enacted into the Corporate Tax Law.**

The Global Anti-Base Erosion (GloBE) Rules were enacted into the Japanese Corporate Tax Law. We call it the Global Minimum Tax (GMT).

GMT adopted the income inclusion rule (IRR). The UK already adopted it, and South Korea, Singapore, Malaysia, New Zealand, Canada, Switzerland, and EU countries will adopt it soon.

The Japanese Corporate Tax Law has a three-layer structure: the Corporation Tax Law, the Order for Enforcement of the Corporation Tax Law, and the Regulations for the Enforcement of the Corporation Tax Law. We can evaluate the GMT as significant. Because the rules regarding international taxation, such as transfer pricing, controlled foreign company (CFC) rule, and thin capitalization, are stipulated in the Special Taxation Measures Law, which is a special rule.

"GMT income is calculated based on the net income of each of the constituent entities for a multinational enterprise (MNE) headed by the ultimate parent entity (UPE)."

The fact that GMT has been stipulated in the Corporate Tax Law means that GMT is a permanent tax system in Japan.

The Pillar One and Pillar Two, which symbolize the significant change in international taxation that is said to occur once every 100 years, were born from the efforts of the base erosion and profit shifting (BEPS) project and BEPS 2.0 by the OECD. In Japanese actions in the BEPS activities, Mr. Masatsugu Asakawa, the president of the Asian Development Bank, was the chairman of the OECD Taxation Committee and led the BEPS project. Therefore, this may express its firm belief that Japan will implement the GMT in the future.

- **An unprecedented system**

Japanese Corporate Tax Law is linked to corporate accounting. Under the Commercial Law and the Companies Act, once net income/Loss is determined in corporate accounting, the tax base is calculated by adding and losing specific treatments described by the Corporate Tax Law.

In contrast, GMT assumes consolidated accounting. GMT income is calculated based on the net income of each of the constituent entities for a multinational enterprise (MNE) headed by the ultimate parent entity (UPE). As for the taxes calculated, it takes many works to figure, as it involves addition and subtraction.

Th Japanese Corporation Tax Laws should match all the GloBE Model Rules and Commentary already published by the OECD. Therefore, the amendments related to the GloBE rules affect the Japanese Tax Laws, and the 2024 tax reform will change them.

- **Future measures**

Many Japanese companies are ending the Fiscal Year (FY) in March. The first global minimum tax is the FY ending March 2025. The GloBE Rules apply to Constituent Entities that are members of an MNE Group that has annual revenue of EUR 750 million or more in the Consolidated Financial Statements of the UPE in at least two of the four Fiscal Years

(Continued)

immediately preceding the tested Fiscal Year. If converted from 1 euro to 145 yen, it would be 108.75 million yen.

Under Japanese transfer pricing tax legislation, MNE groups with consolidated gross receipts of 100 billion yen or more in the previous FY year apply and submit Country-by-Country Report (CbCR) to each Regional Taxation Bureau in Japan. Approximately 650 MNE groups present them, so around 700 to 800 groups are estimated to file the GMT returns.

There are still some uncertainties when calculating the GMT based only on published laws. According to some practitioners, the National Tax Agency will issue around 100 notifications after this September, but without some guidance, there are many risks of considerable confusion in the actual response.

The OECD released the following three documents in July this year.

- Tax Challenges Arising from the Digitalization of the Economy – Administrative Guidance on the Global Anti-Base Erosion Model Rules (Pillar Two)
- Tax Challenges Arising from the Digitalization of the Economy – Administrative Guidance on the Global Anti-Base Erosion Model Rules (Pillar Two), July 2023
- Tax Challenges Arising from the Digitalization of the Economy – GloBE Information Return (Pillar Two)

In Japan, however, there are only English versions and no Japanese translations. Moreover, even though it was previously published, public interest-incorporated associations have only translated and published the Model Rules and the Commentary.

Although filing is still a long way off, taxpayers and practitioners are looking for a wide range of detailed information and guidance on the GMT that will begin next year.

MALAYSIA

SPECIAL VOLUNTARY DISCLOSURE PROGRAMME 2.0 ("SVDP 2.0")

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The Inland Revenue Board ("IRB") has taken a significant step by reintroducing SVDP 2.0 as an initiative to support the tax administration's pillars of sustainability in line with the concept of Malaysia MADANI. This initiative is expected to provide taxpayers with the opportunity to meet their tax obligations and foster transparency and fairness in the tax system.

Below are the key aspects of the SVDP 2.0:

When is the implementation period?	6 June 2023 to 31 May 2024
What is the penalty rate / surcharge?	0%
Who is eligible?	• New taxpayers. • Existing taxpayers. • Taxpayers who have disposed of assets. • Taxpayers who have executed instruments which are not duly stamped.
Who is not eligible?	• Cases where tax audit or tax investigation have been initiated by the IRB. • Taxpayers with non-taxable, reduced assessment or tax repayment cases (except for those of transfer pricing).
What are the taxes covered?	• Income Tax • Real Property Gains Tax ("RPGT") • Stamp Duty
What are periods covered?	Income Tax: New taxpayer – Year of Assessment ("YA") 2022 and before; Existing taxpayer – YA 2021 and before RPGT: Disposal of assets in YA 2022 and before Stamp duty: Instruments executed on or before 1 May 2023
How to submit?	Income Tax and RPGT: • Online submission of the income tax return and RPGT return forms, the SVDP 2.0 Additional Income Reporting form and the tax computation via the MyTax Portal; or • Manual submission of the income tax return and RPGT return forms, tax computation and the SVDP 2.0 Additional Income Reporting form. Transfer Pricing: • Manual submission of the completed Voluntary Disclosure Form for Transfer Pricing case (together with attachment) Stamp duty: Submit the documents / agreements for stamping online through the STAMPs service on the MyTax Portal

(Continued)

<table>
<tr><td>What is the processing time?</td><td>• Within 14 working days (for non-transfer pricing cases) from the receipt of completed application.
• Within 30 working days (for transfer pricing cases) from the receipt of completed application.</td></tr>
<tr><td>When is payment due?</td><td><table>
<tr><td>Income Tax and RPGT</td><td>• A lump sum payment within 30 days from the date of notice; or
• In instalments based on the agreed instalment payment arrangements. Instalment payment is allowed to be made until 31 May 2024 without having to submit supporting documents.

In the event of default, late payment penalty on the unpaid amount may be imposed and legal action may be taken against the taxpayer. The IRB may also initiate an audit or investigation in the future for the YAs where the voluntary disclosure has been made.</td></tr>
<tr><td>Stamp duty</td><td>Within the stipulated period allowed in the Penalty Appeal Approval Letter.</td></tr>
</table></td></tr>
<tr><td>Good faith</td><td>• IRB will accept information voluntarily disclosed made during the SVDP 2.0 period in good faith.
• IRB will review of the tax computation for (mathematical/calculation error) to ensure the accuracy of the voluntary disclosures submitted.
• Audit/Investigation action will not be carried out in the future for the year of assessment in which voluntary disclosure is made. However, if a voluntary disclosure is submitted solely for non-transfer pricing issues, and subsequent examination reveals potential transfer pricing concerns, an audit or investigation may be initiated with regard to transfer pricing matters, and vice versa.</td></tr>
</table>

Disclaimer

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

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